

JANICE K. BREWER  
Governor



MICHAEL J. LACEY  
Director

ARIZONA DEPARTMENT of WATER RESOURCES  
3550 North Central Avenue, Second Floor  
Phoenix, Arizona 85012-2105  
602.771.8500  
azwater.gov

November 6, 2014

VIA HAND DELIVERY

Roger Spencer  
Law Offices of Roger K. Spencer, PLLC  
One East Camelback Rd., Suite 550  
Phoenix AZ 85012

**Re: Certificate of Assured Water Supply  
Hidden Rock at Cave Creek (FKA Estates at Shima-Ni)  
DWR File No. 29-700370.0001**

Dear Mr. Spencer:

The Arizona Department of Water Resources (Department) has determined that the criteria for an Assured Water Supply pursuant to A.R.S. § 45-576 and A.A.C. R12-15-701 *et seq.* have been met, and therefore the Director has decided to issue Assured Water Supply Certificate No.29-700370.0001. Town of Cave Creek will provide the water supply to the lots. The source of supply will be commingled groundwater and Central Arizona Project water. Based on current information, the Department has determined that the subdivision's total projected demand is 18.95 acre-feet per year for 61 units, and the groundwater allowance for the 100-year period is 75.80 acre-feet. The Certificate is attached. The Department suggests you record your Certificate of Assured Water Supply in the appropriate county recorder's office. This will provide you with a permanent public record of the Certificate.

This determination is applicable only to the person or entity specified on the Certificate and for the plat reviewed by the Department. Information used in evaluating this application is available for review in the Department's files. Please contact us if questions arise.

Pursuant to A.R.S. § 41-1092.03, the Department is notifying you that the Director's determination and decision to issue the Certificate is an appealable agency action. You are entitled to appeal this action. If you wish to appeal this action, you must file a written appeal within thirty (30) days from receipt of this letter. I am providing you with a summary of the appeal process and an appeal form, should you elect to pursue this option.

Sincerely,

Andrew J. Craddock, Manager  
Recharge, Assured & Adequate Water Supply Programs

AJC/rbo

Enclosures

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Subdivision Name: Hidden Rock at Cave Creek (FKA Estates at Shimaa-Ni)

File Number: 29-700370.0001

Candi Cox, Central Arizona Groundwater Replenishment District

Carla Randolph, Arizona Department of Real Estate

Linda Taunt, Arizona Department of Environmental Quality

Cynthia Stefanovic, Arizona State Land Department

# ARIZONA DEPARTMENT OF WATER RESOURCES

## NOTICE OF RIGHT TO APPEAL AGENCY ACTION

### **I. Right to Request Hearing**

You have the right to request a hearing on the agency action described in the enclosed document. To request a hearing, you must file a notice of appeal with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012 within thirty (30) days from the date of your receipt of the enclosed document. A Notice of Appeal form is enclosed. Pursuant to A.R.S. § 41-1092.03(B), the grounds for appeal by a party who will be adversely affected by the agency action and who exercised a right provided by law to comment on the action is limited to the issues raised in the party's comments.

If you file a timely notice of appeal, a hearing will be scheduled and you will be given written notice of the time and place for the hearing at least thirty (30) days before the hearing date. The date scheduled for the hearing may be advanced or delayed on the agreement of the Department and the parties to the action or on a showing of good cause. **If no party files a notice of appeal within thirty days from the date of receipt of the enclosed letter, the agency action described in the letter will become final and will not be subject to judicial review.**

### **II. Right to Request Informal Settlement Conference**

If you file a timely notice of appeal as described above, you will have the right to request an informal settlement conference. A request for an informal settlement conference must be in writing and must be filed with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012 not later than twenty (20) days before the hearing date. The enclosed Notice of Appeal form includes a place for you to request an informal settlement conference. If you file a timely request for an informal settlement conference, the Department will give you written notice of the time and place for the settlement conference. An informal settlement conference must be held within fifteen (15) days after the request is filed.

If an informal settlement conference is held, a person with the authority to act on behalf of the Department will represent the Department at the conference. The parties participating in the settlement conference will waive their right to object to the participation of the Department's representative in the final administrative decision. Statements, either written or oral, made by the appellant at the conference, including a written document, created or expressed solely for the purpose of settlement negotiations, are inadmissible in any subsequent administrative hearing.

### **III. Agency Contact Person**

If you have any questions regarding the appeals process, or the process for requesting an informal settlement conference, please contact the Docket Supervisor at (602) 771-8472.

**STATE OF ARIZONA  
DEPARTMENT OF WATER RESOURCES  
CERTIFICATE OF ASSURED WATER SUPPLY**

This is to certify that

**Cave Creek Land, LLC, a Delaware limited liability company, as owner,  
with AB Hospitality Limited Liability Company, an Arizona limited liability company,  
as optionee**

have met the requirements of A.R.S. §§ 45-576 and the applicable regulations, and

By powers vested in the Director of the Arizona Department of Water Resources by the  
State of Arizona, and subject to the conditions contained in the applicable regulations,

Are issued this Certificate of Assured Water Supply for

**Hidden Rock at Cave Creek (FKA Estates at Shimaa-Ni)  
Township 6 North, Range 4 East, Section 27  
GSRB&M Maricopa County, PHOENIX Active Management Area**

Sufficient water of adequate quality will be continuously available to satisfy the water demand of  
the referenced subdivision for at least one hundred years. The referenced subdivision consists of  
**61 units** as described in the amended and 2<sup>nd</sup> amended plats on file with the Department, and has  
an estimated water demand of **18.95 acre-feet per year**. The subdivision will be served  
commingled **groundwater and Central Arizona Project water by the Town of Cave Creek.**

This Certificate is invalid as to any entity not named above.  
This Certificate may be assigned pursuant to A.A.C. R12-15-705.

**Certificate Number: 29-700370.0001**

Original Issue Date: November 16, 2007



**ARIZONA DEPARTMENT OF WATER RESOURCES**

  
Program Manager

11/6/2014  
Date

TYPE A CERTIFICATE